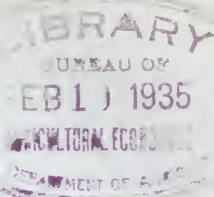


## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



Copy 1



# The Agricultural Situation

A Brief Summary of



Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics  
United States Department of Agriculture

Subscription price: 25 cents per year; single copy, 5 cents; foreign price 45 cents; payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

February 1, 1935

Volume 19, No. 2

## A LEAN WINTER FOR THE LIVESTOCK INDUSTRIES

Throughout the North, where the livestock industries loom large, it is fortunate that the earlier part of the winter was not as severe as last month. The mild earlier weather together with the reduction in numbers of animals and Government emergency measures eased the critical feed situation that had been anticipated. But last month was a hard one.

Livestock men are now living through the real aftermath of the drought. The feed supply is short. One has only to glance at the figures of stocks of grain on farms January 1 to get this feed picture. Farm stocks of corn amount to 800,000,000 bushels, which is about 300,000,000 bushels under the shortest supply previously recorded. Then, it also appears that from October through December less than 580,000,000 bushels of corn have been used in this country, as compared with about 920,000,000 bushels used in the same period last year. That gives an idea as to how the feeders have tightened up. Of course there are fewer pigs to be fed. But men everywhere are feeding with one eye on the granary and mows and the other on the calendar.

A typical result of the tight feed situation shows up in the figures on milk production. Last month the production per cow for the entire country was the lowest of which this Bureau has record: 10.88 pounds compared with a January 1 average of 12.13 pounds. A decline of 2 percent during December contrasted sharply with the usual increase of 2 to 5 percent in that month. Dairymen generally report that they are feeding about 20 percent less concentrates than a year ago.

Speaking more broadly of the dairy situation, however, one can see some daylight ahead—for those who can hold out. More than a million cows were disposed of last year, the greatest reduction in the 55 years recorded. The proportion of heifers in the herds is unusually low. In other words, the herds have been drastically reduced; milk-cow prices are at the low point of the cycle (the last peak in that

cycle came in 1929); with more normal crops, milk cows will be good property once more, and feed prices will be lower in relation to milk and butterfat.

The poultry industry is another which has had to tighten up its belt this winter. Many a farm flock ceased to exist last fall. For the country as a whole, the number of hens and pullets per flock average 78.4 compared with the 5-year average number of 88.9. The average farm flock in the Central States was producing 15 eggs last month as against 19.3 eggs per flock a year previous. But here again, there is daylight in sight for the long pull. Stocks of eggs in storage are down. The number of hens in the country is down. Hatchings are likely to shrink still further this spring. Feed is likely to become cheaper later this year. The hardest problem is to get through a bad winter.

---

### INCREASING THE FARMERS' SHARE OF THE NATIONAL INCOME

It has been assumed, from the fact that total farm production varies little from year to year, that restoring the relative purchasing power of unit farm products to pre-war levels would in general restore farm income and its purchasing power to pre-war levels. As far as can be determined from such statistics as are available at present, this assumption is approximately correct.

In 1934 the relative purchasing power of unit farm products averaged 73 percent of their pre-war level, and probably about 80 percent if benefit payments are included as additions to farm prices received for current marketings. This may be contrasted with 55 percent for March 1933. The net income from the production of 1934 used for sale or in the farm home also had a relative purchasing power of nearly 80 percent of the pre-war level, compared with about 52 percent in 1932. Similarly, the share of the national income on a per capita basis in 1934 also was about 80 percent of the pre-war share, compared with about 60 percent in 1932.

These three measures of the agricultural situation in years prior to 1934 showed considerable divergence and are of course likely to show differences in the future. Each, however, reveals the failure of agriculture to emerge out of the post-war depression during the period of general prosperity 1923-29. In combination, they suggest that the post-1929 depression brought agricultural conditions about twice as much below pre-war levels as the post-war depression did, and that the improvement of 1933 and 1934 has brought agriculture approximately to the conditions that prevailed in 1921. In these generalizations there are of course embodied wide regional and commodity differences.

### PURCHASING POWER OF FARM PRODUCTS AND BENEFIT PAYMENTS

The general index of relative purchasing power of farm products as published currently in the Agricultural Situation does not include benefit payments derived from processing taxes. These payments may be considered as additions to farm prices received for the domestically consumed portions of crops included in adjustment programs. There are now 14 commodities defined as "basic." For seven of these there are adjustment and processing tax programs in effect. The prices of

these 14 commodities averaged 52 percent of pre-war in February 1933 compared with 55 percent for all farm products. During the period August 1933 to March 1934 they remained within a range of 73 to 80 percent, and during the last quarter of 1934, due largely to the drought, they averaged close to the pre-war level, as did the average of all commodities.

Processing taxes, considered as additions to prices received on domestic allotments, when paid out as benefit payments, added approximately 30 percent to the December 1934 price level of the "basic" commodities, on which they were collected and about 17 percent to the price level of the 14 "basic" commodities (as shown in fig. 1). Compared with prices paid by farmers, or "parity" prices, at 126 percent of the pre-war level, these "basic" farm products, exclusive of benefit payments, had a purchasing power of about 80 percent and including benefit payments, 91 percent.

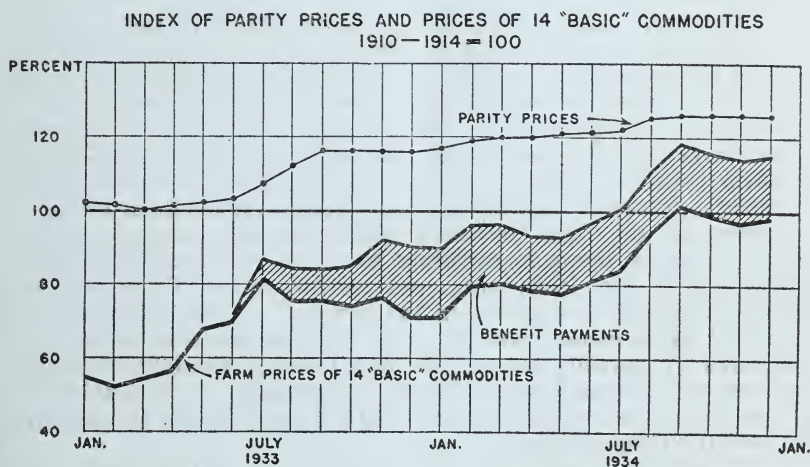


FIGURE 1.—Farm prices of 14 "basic" commodities were nearly at pre-war levels at the end of 1934. Benefit payments derived from processing taxes on seven commodities were equivalent to about 17 percent additional on the price level for the 14 commodities.

The relative purchasing power of all farm products was 80 percent in December 1934 and 73 percent for the entire year. But if benefit payments, which during 1934 amounted to about 10 percent of gross cash income, be added to the general level of farm prices, farm products for the entire year 1934 may be said to have had a relative purchasing power of about 80 percent.

#### PURCHASING POWER OF "NET" FARM INCOME

A price-ratio measure of the agricultural situation is of course deficient in several important respects. Costs other than commodity costs are not included; nor are the volume of purchases of goods and services and the volume of sales of farm products included. Had adequate facts for these items been available, it is conceivable that the standard for the Agricultural Adjustment Act might have been a broader one, more nearly an income standard than a price-ratio standard. The necessary data are still lacking, but some approximations may be obtained by piecing together what is available.



It has been suggested that instead of the index of prices paid by farmers for goods alone, the parity standard should include also the prices of services, such as are represented by farm wage rates, tax payments on farm real estate, and interest payments on farm mortgages. In 1929, when prices paid by farmers averaged 153 percent of pre-war, the inclusion of these cost items would have given an index of 165, or a parity standard 8 percent higher than prices of goods alone. At the present time, however, when farm wage rates are relatively lower than prices paid by farmers for goods, and interest and taxes payable have declined to 160-170 percent of pre-war instead of 231-243 percent in 1929, the combination of prices of goods and services is only 127 percent compared with 126 percent for commodities alone. This combination is a broader standard, but being essentially a price measure, it does not reflect the changes in the volume purchased from year to year, or as between the post-war and pre-war years.

An attempt to take changes in volume of both sales and purchases into account is made in table 1. From estimates of gross farm income as published by the Bureau of Agricultural Economics, there have been deducted selected expense items which constituted in the post-war years approximately 90 percent of the total production expenditures as estimated by the Bureau, exclusive of the labor of the farm operator and his family. The balance thus obtained is available as return for the farmer's investment for his labor and gives approximately the "net" income available for the goods and services used in the farm home to maintain the farmers' standard of living. Between 1909 and 1929, gross income increased 77 percent, and estimated expenditures increased 141 percent.

In 1932 gross income was 21 percent below pre-war, selected expenditures 27 percent above, and the balance available for other purposes 44 percent below. These comparisons do not take into account the inventory gains up to 1920 nor the losses in the post-war and post-1929 depressions.

"Net" income attained a purchasing power of 128 percent and 135 percent of pre-war during 1917 and 1918, declined to 65 percent in 1921, reached 97 percent in 1925, and 91-92 percent in 1928-29. In this depression, it declined to 52 percent in 1932 and by 1934 recovered to 79 percent. The year to year changes in this series are shown in figure 2.

Table 1.—FARM INCOME AND EXPENDITURES AND RATIO OF BALANCE TO EXPENDITURES

Year	Gross income <sup>1</sup>	Selected expenditures <sup>2</sup>	Balance available	Gross income	Selected expenditures	Balance available	Prices paid for commodities bought for family maintenance	Ratio of available income to expenditures
	Million dollars			Percent (1910-14=100)				
1909-----	6,238	1,886	4,352	92	87	95	96	99
1914-----	7,028	2,338	4,690	104	108	102	102	100
1917-----	12,832	3,543	9,289	190	163	203	147	138
1918-----	15,101	4,186	10,915	223	193	238	177	135
1919-----	16,935	4,820	12,115	251	222	264	210	126
1921-----	8,927	4,136	4,791	132	190	104	161	65
1925-----	11,968	4,691	7,277	177	216	159	164	97
1929-----	11,941	5,246	6,695	177	241	146	158	92
1932-----	5,331	2,758	2,573	79	127	56	108	52
1933 <sup>3</sup> -----	6,256	2,553	3,703	93	117	81	109	74
1934 <sup>3</sup> -----	7,200	2,800	4,400	107	129	96	122	79

<sup>1</sup> Calendar years for livestock and livestock products, crop years for crops, as reported by the Bureau of Agricultural Economics.

<sup>2</sup> Includes: (1) Wages (cash and board); (2) feed; (3) fertilizer; (4) taxes; (5) mortgage interest (total); (6) ginning expense; (7) purchases and operating expenses of all farm machinery (including tractors, trucks, and one-half automobiles); harness and saddlery.

<sup>3</sup> Including rental and benefit payments.

The total of these selected items was equivalent to 94 percent of all production expenses for the 10-year period 1924-33, as reported in the August 1934 Crops and Markets, p. 315. However, these reported production expenses did not include board as a part of the wage bill. If board (which is among the selected items enumerated above) is added to the total production expenditures reported, then the selected items are equivalent to 90 percent of the total for the 10-year period. The detailed expenditure figures from 1919 through 1933 were furnished by the Bureau of Agricultural Economics. Prior to 1919 estimates are partially those of the Bureau and partially those of the Agricultural Industrial Relations Section of the Agricultural Adjustment Administration.

Table 2.—AGRICULTURE'S SHARE OF NATIONAL INCOME, 1909-34<sup>1</sup>

Year	National income	Contributed by agriculture		Year	National income	Contributed by agriculture	
	(Million dollars)	(Million dollars)	Per cent		(Million dollars)	(Million dollars)	Per cent
1909-----	26,430	4,988	18.9	1922-----	57,926	7,300	12.6
1910-----	28,024	5,218	18.6	1923-----	65,949	8,026	12.2
1911-----	28,376	4,815	17.0	1924-----	68,461	8,325	12.2
1912-----	30,358	5,294	17.4	1925-----	73,067	9,089	12.4
1913-----	31,909	5,133	16.1	1926-----	74,954	8,214	10.9
1914-----	31,669	5,081	16.0	1927-----	76,007	8,371	11.0
1915-----	33,083	5,488	16.6	1928-----	77,291	8,109	10.5
1916-----	38,884	6,631	17.1	1929-----	79,702	8,254	10.4
1917-----	46,575	9,188	19.7	1930-----	72,890	6,320	8.7
1918-----	54,784	11,205	20.5	1931-----	60,790	4,659	7.7
1919-----	59,550	12,182	20.5	1932-----	47,900	3,582	7.5
1920-----	65,928	11,057	16.8	1933-----	46,030	4,557	9.9
1921-----	55,430	6,967	12.6	1934 <sup>2</sup> -----	51,920	5,287	10.2

<sup>1</sup> Realized income from production of goods and services based on data of (1) National Bureau of Economic Research as published in America's Capacity to Consume by Brookings Institute, (2) U. S. Department of Commerce, and (3) Bureau of Agricultural Economics U. S. D. A. Extension of data for 1929-34 made in Agricultural Adjustment Administration.

<sup>2</sup> Preliminary estimate.

Table 3.—NATIONAL AND FARM INCOME PER CAPITA, 1909-34

Year	Population (000)		Per capita income <sup>2</sup>			
	Total United States	Farm	Total United States	Farm <sup>1</sup>	Ratio farm to total	
					Annual	1910-14=100
					<i>Percent</i>	<i>Percent</i>
1909-----	89, 882	32, 123	\$294	\$155	53	105
1914-----	97, 220	31, 892	326	159	49	97
1917-----	101, 466	31, 753	459	289	63	125
1918-----	102, 880	31, 707	533	353	66	132
1919-----	104, 296	31, 660	571	385	67	134
1921-----	107, 375	31, 703	516	220	43	85
1925-----	114, 035	31, 064	641	293	46	91
1929-----	120, 694	30, 257	660	273	41	82
1932-----	124, 511	31, 241	385	115	30	60
1933-----	125, 197	32, 242	368	141	38	76
1934-----	126, 059	32, 509	412	163	40	79

<sup>1</sup> Population figures for 1909 to 1919 interpolated. Non-census years following 1920 are estimates by the Bureau of Agricultural Economics.

<sup>2</sup> Based on estimates of national income and on amounts contributed by agriculture derived primarily from farm production, other sources of income to farm people not included.

#### THE FARMERS' SHARE OF THE NATIONAL INCOME

The national income, if defined as realized income from the production of goods and services, amounted to \$26,400,000,000 in 1909, \$79,700,000,000 in 1929, and \$51,900,000,000 in 1934. The amount attributed to agriculture is about \$5,000,000,000 in 1909, \$8,300,000,000 in 1929, and \$5,300,000,000 in 1934. (See table 2.) These amounts attributed to agriculture are obtained from the estimates of gross income by deducting only certain expenditures such as property taxes, mortgage interest on the farm home, and certain operating expenditures, leaving a balance which includes farm wages and most of mortgage interest payable. For the purposes of this statement, no attempt has been made to deviate from the generally accepted definition of farm income in conformity with the definition of national income. It should, however, be noted that the deductions from gross income made to obtain net farm income (in table 1) are greater than the deductions made to obtain the agricultural contribution to the national total (in table 2).

The share contributed by agriculture was 18.9 percent in 1909 and 16.0 in 1914. In 1918 and 1919 it rose to 20.5 percent, then declined abruptly to 12.6. In the period 1926-29 the share ranged between 10.4 and 11.0 percent, and then reached the historic low of 7.5 percent in 1932. By 1934, if benefit payments and receipts from the excess sale of livestock in the drought areas are taken into account, it reached 10.2 percent.

The farmer's share of the national income has of course declined during the past century as the percentage of people living on farms or engaged in agriculture declined. It is, therefore, not surprising that the agricultural share of or contribution to the national income was lower in the post-war period than in the 1910-14 period. But during the post-war period it was abnormally low as appears to have been the usual tendency in periods of generally declining prices.



In 1870 when those employed in agriculture constituted 53 percent of the total working population, farmers received about 26.5 percent of the national income. In 1900 when 36 percent were gainfully occupied in agriculture, agriculture's share of the national income was about 21 percent and in 1920, when 26 percent of the gainfully occupied were in agriculture, their share of the national income was about 17 percent. The yearly percentages from 1909 to 1934 are given in table 2 and in figure 3.

These trends, since 1900, are shown in figure 3. In a somewhat modified form, the relation between the income share and the population share is shown in figure 2 as derived from table 3. Here the farmers' share of the national income has been computed on a per capita basis instead of on the basis of gainfully occupied. The per capita farm income included in the national total was divided by the per capita income for the entire population and then expressed as percentages of the 1910-14 average.

In 1909, the per capita income for the entire population of 90,000,000 was \$294, and for the farm population of 32,000,000, \$155 or 53 percent of the average for all.

THREE MEASURES OF THE AGRICULTURAL SITUATION  
1910-1914 = 100

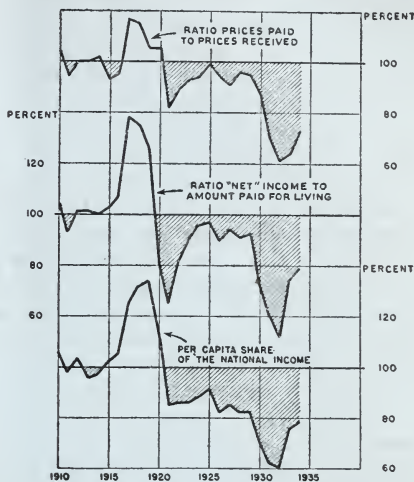


FIGURE 2.—The relative purchasing power of farm products (when benefit payments are included) and of the farmers' "net" income, as well as the farmers' per capita share of the national income were about 80% of their pre-war level in 1934, though they differed widely in earlier years.

THE FARMERS' SHARE OF THE NATIONAL INCOME AND PERCENT  
GAINFULLY OCCUPIED IN AGRICULTURE

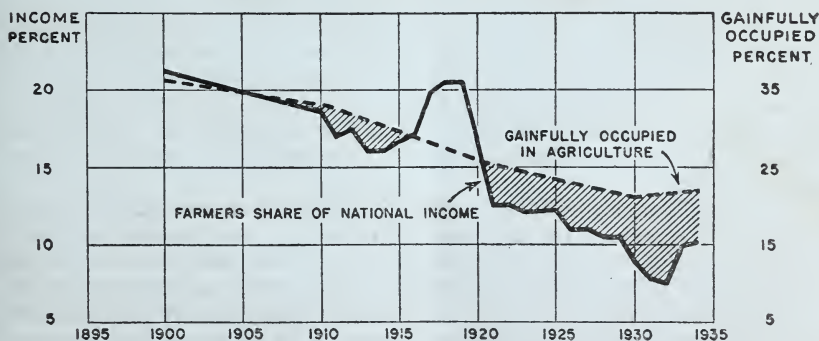


FIGURE 3.—The farmers' share of the national income has declined during the past century as the farm population and the number gainfully occupied in agriculture became a smaller proportion of the total. After the war, the farmers' share of the national income fell to an abnormally low level and has been only partly restored by the 1933 and 1934 agricultural improvement.

In 1932 the average for the entire population of nearly 125,000,000 was \$385 and for the 31,000,000 of farm population, \$115, or 30 percent of the average for all. The per capita share of the farm

population rose to 132 and 134 percent of the pre-war share, declined to about 60 percent and by 1934 it advanced to 79 percent.

The share going to agriculture should have declined, in view of the decline in the proportion of our working population engaged in agriculture. But the post-war drop from the relatively high levels of 1917-19 apparently not only carried the farmers' share down too far, but set in motion a continuous decline at the subnormal level, checked only by the 1933-34 recovery. The relatively low post-war level will probably be found to be related to the increase in the proportion of the consumers' dollar going to distribution costs including labor, particularly in the case of livestock products, and to the decline in the foreign demand for our export crops.

What is a fair share of the national income for agriculture? In answering the question of a fair share for agriculture, we need to start with the facts as they have prevailed in the past decades and in the more recent years, but it should be borne in mind that this does not answer the question as to what should be the farmers share—that involves consideration of what type of balance between agriculture and industry and the standards of rural and urban life that the country desires to promote.

Our records for the past 80 years or more show that agriculture tends to get a share of the total income which is approximately about 60 percent of the share of the total working population engaged in agriculture. A number of reasons may be given in explanation of this historic fact, such as nonmonetary forms of income enjoyed by farmers, a willingness to take a smaller return for a greater degree of individualism, and a greater degree of economic security in periods of general depression and a lack of effective bargaining power.

On the basis of the experience of post-war years, during which agriculture as a whole had failed to keep pace with general prosperity, the 1934 share instead of being 10 percent should perhaps be around 12 to 13 percent, or about 25 percent higher than at present, assuming that agriculture is not entitled to something more than average for several years to offset the recent subnormal years.

This basis, however, is a misleading one since the farmers' share tends to be low in periods of declining prices such as the period of the 1880's and 1890's and the 1930's. The relation of such data as are available on the farmers' share of the national income to the percentage gainfully occupied in agriculture for the favorable price years 1870, 1900, 1910, and 1920 suggests that the 1934 share should be about 15 percent.

This would mean adding about 2,500,000,000 dollars to the 5,200,000,000 of agricultural income included in the national total of 52,000,000,000. Were the national income to advance during the next few years to 75,000,000,000, or a gain from the present of 23,000,000,000, agriculture would need an increase of about 6,000,000,000 or a fourth of the total, if its share were to be restored to 15 percent instead of the present 10 percent.

#### THE THREE MEASURES OF THE AGRICULTURAL SITUATION COMPARED

The indexes of the purchasing power of farm products and of the farmers' net income, as well as of the farmers' per capita share of the national income (shown in fig. 2) each reveal the failure of agriculture to recover from the 1921 depression, before it was overwhelmed by the

depression after 1929. The exchange value of a unit of farm products on the whole varied less from 1910 to 1929 than did the other two indexes; it rose only about half as high as did the purchasing power of "net" income or the per capita share. It did not show the sharp decline in 1920 that appears in the other two indexes. In 1921 it reached 18 percent below the pre-war level, while the purchasing power of net farm income reached 35 percent below.

During the period 1923-29, the relative purchasing power of farm products averaged about 95 percent of pre-war, the purchasing power of net income about 93 percent, and the per capita share about 86 percent. As in 1920, the last two indexes also showed pronounced declines in 1930, compared with only a moderate decline in the index of purchasing power of farm products. By 1933, two of the measures averaged only 60 percent of pre-war, while the index of purchasing power of net income averaged 52 percent. By 1934, each showed advances to somewhat under 80 percent of the pre-war level.

On the mechanistic basis of action and reaction, the farm prosperity of the years 1915-19 was about offset by the subnormal conditions during the post-war years 1920-27. The subnormal conditions that have prevailed since 1927, and in intensified form since 1930, call for a period of several years of agricultural prosperity well above the pre-war levels.

To attain such conditions farmers must look forward to (1) balancing their production as between the several branches of agriculture so as to undo the damage done by the 1934 drought, (2) an increase in industrial production as a basis for increased city purchasing power and a larger exchange value of farm products for industrial products, the latter to be brought about either by a rising level of farm prices, or a declining level of industrial prices or a combination of the two; (3) reopening our foreign markets for wheat, cotton, and pork, and increasing foreign purchasing power for the other farm products we export; (4) lowering those costs of distribution which now take an inordinate share of the spread between farm and city retail prices.

LOUIS H. BEAN,

*Economic Adviser, Agricultural Adjustment Administration.*

---

### CORN BELT FARMING IN 1935

With the approach of spring, Corn Belt farmers are still struggling with the effects of last year's unexpected emergencies and wondering what 1935 has in store for them. The problems of 1934, including drought, insects, and price trends, may not take the same form in 1935, but farmers may be assured that 1935 will also have its difficult situations. Some of these problems will be revealed only with the passing of time. Others can be dimly foreseen through the medium of past experience under similar conditions. Present circumstances dictate largely the range of experiences to be expected in 1935.

The opportunity to increase corn acreage and hog numbers to 90 percent of the 1932-33 base, without forfeiting benefit payments, will make possible a more efficient use of the farmer's resources, including labor, machinery, and equipment. When a farm has been organized to obtain a specified volume of production, a large share of the costs are not increased by moving the actual output from 75 percent to 90



percent of that volume. The advantage to farmers of a program of restricted production comes for the most part from an increased sales price rather than from decreased costs of operation.

The effects of the 1934 drought still loom large at the beginning of the 1935 crop year. The shortage of feed is acute during the winter season. The coming of grass will help mightily, especially in the case of cattle. The growing of an increased acreage of small grains, accompanying the 10 percent corn acreage reduction from the 1932-33 base on corn contract farms, will be helpful in making more feed grain available early in the summer. This will be especially useful in providing feed for hogs and horses until the new corn crop matures.

The failure to obtain stands of grass from last year's seedings will make it necessary to use some land for emergency hay and pasture crops. Soybeans, oats, sudan grass, rape, and other emergency crops will be used extensively for these purposes. As was true in 1934, it is probable that more corn fodder than usual will also be fed in the winter of 1935-36 to meet the shortage of the better roughage still to be felt as a result of the drought of 1934. On account of the very small supply of grass seeds available for seeding in 1935, the full effects of the drought on the roughage situation will not be overcome until 1937 at the earliest.

Farmers in the Corn Belt in 1935 will be faced with widely varying relationships between feed and livestock prices. Feed scarcity in 1934 reduced the number of bushels of corn equal in value to 100 pounds of live hogs, at farm prices, to less than two-thirds of the long-time average relationship between corn and hog prices. Spring pigs farrowed in 1934 were 28 percent fewer than in 1933, but corn production was 41 percent less; hence, corn prices rose more than the price of hogs.

This situation is gradually changing. There were only slightly more than one-half as many fall pigs farrowed in 1934 as in 1933 and estimates of the 1935 spring pig crop suggest a 17 percent reduction from last year's short farrowings. Rising hog prices in the late winter have brought up the hog-corn price ratio almost to the long-time average. The expected further increase in hog prices in the late summer will probably cause the hog-corn price ratio, on a farm value basis, to exceed the normal figure of 11.6. With a yield per acre of corn in 1935 approaching the average of past years, it would appear that the increased corn supply and greatly reduced number of livestock would cause the hog-corn price pendulum to swing sharply in the direction of higher hog prices, as expressed in terms of corn prices. This tendency will probably be moderated somewhat if corn prices are stabilized by corn loans at a figure more nearly adjusted to the need for corn by livestock in the following year.

The drastic reduction in the number of cattle in 1934 makes likely a relatively high price of beef for several years. In the worst drought areas, however, even the breeding herd has been sacrificed and it will be necessary to buy foundation stock at relatively high prices when feed is again available. Some cattle men have necessarily bought high-priced feed to carry them through the winter. The coming of grass and cheaper feed will spell relief to many a stockman who has been forced to reduce his herd at low prices in the face of unprecedented feed shortage.



Some caution may need to be exercised by buyers of feeder cattle next fall if average yields of corn are obtained in 1935. With ample corn supplies, and but few hogs to eat it, the demand for feeder cattle may easily carry the purchase price above that justified by the prospective demand for well-finished beef. It will be more important than usual for the cattle feeder correctly to appraise the factors affecting the sales price of fat beef at the time his cattle will be ready for market rather than to be influenced too much by the price of well-finished cattle at the time he buys his feeders.

The production of dairy products in the Corn Belt was reduced less by the drought than was true of the gains on meat animals. If the government buying program of 1934 was successful in weeding out the least desirable cows from the dairy herd, production per cow will probably be increased in 1935, especially if increased rainfall brings abundant pasturage for the smaller number on hand. Due to the general failure of clover stands, it will be more important for the dairyman than for the beef cattle grower to sow an emergency hay crop of good quality. It is fortunate that a large crop of soybeans is available for seeding in 1935 when the supply of most grass seeds has been so seriously reduced.

Chinch bug damage in the southern part of the Corn Belt in 1935 may be even more serious than in 1934 unless weather conditions are distinctly unfavorable to their increase. Knowledge gained last year by farmers who were experiencing them for the first time will be very valuable in combating them in the coming season.

For all classes of livestock the keynote of 1935 should be the maintenance and building up of breeding herds. Where there is a choice, the fattening of livestock should be limited rather than to sacrifice foundation stock. Where practically no feed is available, a high wintering outlay for purchased feeds may be justified by the high prices for livestock in the next 2 years.

GEORGE W. COLLIER,  
*Division of Farm Management and Costs.*

---

### THE GRAIN MARKET SITUATION

Domestic grain markets were unsettled in January, with price gains early in the month more than offset by declines later in the period. Diminishing supplies with light receipts were strengthening influences in wheat but these were largely offset by weakness in foreign markets where increased offerings of new Southern Hemisphere grain competed for the limited export trade. The unusually light remaining stocks of feed grains maintained prices at relatively high levels and placed corn, oats, and barley upon an import basis, with the result that foreign market conditions became increasingly important influences in the domestic situation.

Wheat supplies in the United States have decreased to the lowest levels since January 1926, with remaining stocks of durum below domestic needs for the remainder of the season. Farm stocks of wheat January 1 totaled only 136,000,000 bushels, the smallest quantity for that date since these data became available in 1926. Market stocks amounted to about 91,000,000 bushels, the smallest figure since January 1928. No official data are available for country

mill and elevator stocks or supplies in merchant mills, but trade estimates placed the quantity of wheat in these positions about 45,-000,000 bushels under a year ago, which would suggest that total supplies of wheat in the United States are 135,000,000 to 150,000,000 bushels below those at this time last season.

Domestic utilization of wheat this season appears to be slightly above that of a year ago. Mills have ground more wheat and trade reports indicate increased feeding of wheat as a result of higher feed grain prices. Exports of wheat as grain have amounted to less than 3,000,000 bushels and have been more than offset by imports of Canadian wheat. Durum mills have been forced to turn to Canada for supplies of high protein durums. About 7,500,000 bushels of Canadian durum wheat had been imported to the close of December. More than 5,000,000 bushels of Canadian feed wheat had been brought in with the payment of the ad valorem duty of 10 percent. This feed wheat was being offered at Minneapolis, the middle of January, at around 90 cents per bushel delivered at that market.

With United States prices on an import basis, the world situation has become an increasingly important influence. World supplies of wheat are materially smaller than a year ago, reflecting principally the short 1934 crops in the United States and Europe. Despite the reduction of around 235,000,000 bushels in European crops, demand for wheat from exporting areas has remained dull and world shipments have fallen below those of last season, when they were the smallest since the war period. Southern Hemisphere countries competed actively with Canada for the limited export trade. Argentina shipped out more than 175,000,000 bushels during 1934, compared with about 145,000,000 bushels during the previous year. Australia, however, shipped out less than 100,000,000 bushels, compared with about 150,000,000 bushels during the previous season. Canadian exports, including shipments to the United States, totaled slightly less than 100,000,000 bushels during the 5 months ending with December, compared with about 104,000,000 bushels during the corresponding months of 1933. As a result of the smaller shipments, materially larger stocks of old crop grain remained in the Southern Hemisphere at the first of January than a year earlier, while Canadian stocks were only about 10,000,000 bushels below the relatively large supplies on hand a year ago.

New crop wheat from Australia and Argentina is now being offered freely and the efforts of Southern Hemisphere exporters to dispose of this grain has been a weakening influence in world markets. Southern Hemisphere supplies for the current season, however, from present indications, will be around 50,000,000 bushels smaller than last season.

#### FEED GRAINS DECLINE DESPITE DIMINISHING SUPPLIES

Feed grains declined during January despite diminishing supplies and continued light marketings. Prices have reached relatively high levels compared with prices of livestock and dairy and poultry products, and this, together with lack of funds, particularly in drought areas, has greatly reduced the consumption of grain this season. Domestic markets are on an import basis and foreign grain has begun to arrive in appreciable quantities.

Farm stocks of corn at the first of January were the smallest in the 9 years for which records are available, and totaled only about 814,000,000 bushels. Market stocks totaled 43,750,000 bushels, giving a total supply at the first of January of only 858,000,000 bushels, or about the quantity usually on hand at the first of April. Remaining stocks when compared with supplies at the beginning of the season suggest a domestic disappearance, from October through December, of less than 580,000,000 bushels. During the corresponding period last year, about 920,000,000 bushels passed into domestic consumption. Should domestic requirements during the remainder of the season show a corresponding decrease, the carry-over at the close of the period would not be unusually small. Sharp reductions in the number of livestock on farms and the substitution of cheaper forage for feed grains have been principally responsible for the reduced domestic utilization of corn this season. The official estimate of livestock numbers at the first of January is not yet available, but the combined spring and fall pig crop of 1934 was about 35 percent less than that of 1933 and totaled only about 53,000,000 head, compared with 82,000,000 head a year earlier. The decrease in the Corn Belt States was somewhat larger than for the country as a whole.

Market receipts of corn remained exceedingly small during January, but industrial and feeder demand was also limited and prices lost much of the early month gains. Market stocks were drawn upon rather heavily and were reduced about 5,000,000 bushels during the first 3 weeks of January. Only about 38,000,000 bushels were in store January 19, compared with nearly 69,000,000 bushels a year earlier. Some Argentine corn has been received on the Pacific coast and it is estimated that about 5,000,000 bushels of old Argentine corn and around 7,000,000 bushels of new crop grain has been purchased for shipment to the United States. Old Argentine corn for February shipment was quoted delivered United States ports around the middle of January at 91-92 cents, and new crop grain for May and June shipment at about 81 cents per bushel. These offerings have tended to check the advance in domestic prices.

Oats markets have fluctuated along with corn, but were slightly lower at the close of the third week in January than at the first of the month. Farm stocks of oats at the first of January totaled only 346,000,000 bushels and with commercial stocks gave a total supply of only 370,000,000, compared with about 504,000,000 bushels a year ago. Domestic utilization from January to the close of the season last year totaled approximately 290,000,000 bushels. Although demand for oats is apparently below that of a year ago, the relatively small stocks suggest rather close adjustment of supplies to requirements this season. Domestic stocks, however, are being supplemented by importation of Argentine oats. More than 5,000,000 bushels of Argentine oats had arrived at American ports to the middle of January. These oats are now quoted at about 55 cents per bushel at seaboard markets, which is 10 to 11 cents below prices of domestic grain at the same markets. On January 22, No. 3 white oats were selling at the principal central-western markets at 55-60 cents per bushel.

Barley markets weakened slightly around the middle of January, influenced by lower corn prices and only moderate demand for current offerings. Choice malting barley continued in good demand,



but very little of that quality has been offered. An unusual feature in the domestic barley situation this season has been the heavy movement of barley from Pacific coast to Central Western and Eastern States. Around 5,250,000 bushels of California barley has been shipped eastward this season. About 3,500,000 bushels moved by rail to the Central West, with the remainder forwarded by water to east coast markets. More than a million bushels of barley from the Pacific Northwest, principally from the Willamette Valley, moved to Central Western States. Canadian barley has been imported to supplement the short domestic supply with around 175,000 bushels of Canadian barley received at American markets to the middle of January. Some Polish barley has also been imported.

Inquiry for feed barley has been influenced by the same factors that affected the demand for corn and oats. The 1934 barley crop, totaling approximately 119,000,000 bushels, was the smallest since 1900. Marketings have been relatively light but current offerings recently have been about sufficient for trade needs. Market stocks January 19 totaled about 17,000,000 bushels, or only slightly less than a year ago. Feed barley was quoted at Minneapolis January 23 at 77-78 cents per bushel, compared with 81-82 cents at the first of the month and 38-50 cents a year ago.

G. A. COLLIER,  
*Hay, Feed, and Seed Division.*

---

#### THE SITUATION AS TO DAIRY PRODUCTION

In 1934, according to preliminary estimates, the number of milk cows on farms declined 4 to 5 percent, or more than 1,000,000 head. The cattle cycle and the drought resulted in the greatest reduction in milk-cow numbers in the 55 years for which records are available.

The last peak in the cycle in milk-cow prices came in 1929. From July 1929 to January 1934 the price of milk cows declined 68 percent. This decline resulted in a reduction in the proportion of heifers to cows, and a marked increase in culling. In the first 4 months of 1934, the number of cows and heifers slaughtered under Federal inspection was 32 percent greater than in the same period of 1933 and the largest for the period since 1928. Thus even before the drought farmers had greatly increased the culling of cows from herds. Then came the reduced acreage of feed grains because of the adjustment program and the drought, short crops, and a marked rise in feed prices.

In 1934, the farm price of butterfat averaged 23.0 cents per pound, while the farm price of feed grains averaged \$1.18 per hundredweight. A pound of butterfat would buy only 19.5 pounds of feed grain, only about two-thirds as much as in the period 1925-29, and less than in the pre-war period 1910-14. Byproduct feeds—bran, cottonseed, linseed meal, and gluten feed—are all high in relation to butterfat and milk. Hay is also high in price compared with dairy products. These price relationships indicate light feeding of milk cows, further culling, and probably a reduction in the number of heifers being saved for milk cows.



## POUNDS OF FEED AND LIVESTOCK EQUIVALENT IN PRICE TO ONE POUND OF BUTTERFAT, FOR SELECTED PERIODS 1910-34

[Based on farm prices]

Year	Feed grains	Byproduct feeds <sup>1</sup>	Hay	Veal	Beef cattle	Hogs
Average:	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1910-14.....	22. 1	<sup>2</sup> 22. 2	44. 4	3. 9	5. 0	<sup>3</sup> 3. 7
1925-29.....	30. 3	26. 6	74. 0	4. 2	5. 9	4. 4
1930-32.....	30. 6	26. 9	54. 0	3. 6	4. 6	4. 5
1933.....	27. 2	22. 1	55. 3	4. 1	5. 3	5. 3
1934.....	19. 5	18. 3	43. 1	4. 8	6. 0	5. 4

Index numbers (1910-14=100)

Average:						
1910-14.....	100	100	100	100	100	100
1925-29.....	137	120	167	108	118	119
1930-32.....	138	121	122	92	92	122
1933.....	123	100	125	105	106	143
1934.....	88	82	97	123	120	146

<sup>1</sup> Based on wholesale prices of byproduct feeds (bran, cottonseed meal, linseed meal, gluten feed, middlings, and alfalfa meal) and farm price of butterfat.

<sup>2</sup> Average 1913 and 1914.

<sup>3</sup> Average 1911 to 1914.

Reports from crop correspondents in early December indicate that they were feeding about 20 percent less concentrates per cow than a year earlier. In many sections feed supplies are especially short and farmers are feeding with one eye on the feed bin and haymow and the other on the calendar.

This decline in feeding is having an effect on milk production. Reports from crop correspondents for January 1 indicated that milk production per cow was the lowest on record, being 5.0 percent less than a year earlier. This decrease in milk production per cow and the reduction in cow numbers indicated that total milk production the first of the year was 9 to 10 percent less than a year earlier.

The feed situation will be acute until pasture and new crops are available, so that production will probably be relatively small, at least until the pasture season. The winter of 1934-35 is an especially hard one for dairy farmers.

The longer time outlook, however, is much more favorable. Cattle numbers have been drastically reduced and milk-cow prices are at the low point of the cycle. With more normal crops, milk cows will be good property, and feed prices will be lower in relation to milk and butterfat.

E. E. VIAL,  
Division of Statistical and Historical Research.

## THE DAIRY MARKET SITUATION

The butter situation is a principal point of interest this month. Except for two temporary set-backs, one in December and another in mid-January, the upward swing of butter prices which began in October has continued. Current domestic prices have already attracted some imports, principally New Zealand butter, and negotiations for further imports are pending, these imports being possible because prices in foreign markets are lower than domestic prices by more than the 14-cent tariff. High domestic prices are a reflection of relatively light production and a comparative shortage of supplies in storage, but just how high these prices may go will depend upon consumption and the extent to which foreign shipments are received.

Butter production in December was approximately 12 percent below December 1933, and the change from November was a reduction of 7 percent, rather than the usual seasonal increase of 4.5 percent. This marked drop can be attributed to the extreme shortage of hay and grain supplies which is becoming more acute as the feeding season advances. December is the first month this season during which production was curtailed so sharply as many had anticipated would occur after the drought. The December change suggests the reason why production was fairly well maintained during previous months, namely, that farmers were probably drawing heavily upon such feed supplies as were available. There is a feeling that production will continue low during the balance of the current feeding season.

The report on estimated butter production in December shows that there were exceptionally sharp reductions under 1933 in Minnesota, Wisconsin, and Iowa. In a few scattered States there were increases. This group includes Illinois, Missouri, Oklahoma, Colorado, and Oregon. There was also a heavier production in Pennsylvania, but in New York there was a 75 percent drop. The net decrease in total United States output for the month was 13,500,000 pounds, and the estimate of 102,702,000 pounds produced was the lowest December production since 1929. Estimated total production for 1934 is 1,653,792,000 pounds, a decrease of 108,000,000 pounds, or 6.2 percent under 1933. Cheese production in December was 2,500,000 pounds, or 7.7 percent less than in 1933, although for the full year there was a 3 percent increase, amounting to 16,000,000 pounds. The only manufactured dairy product registering a gain in December over a year earlier was evaporated milk, which increased 10.6 percent, bringing the 1934 total just slightly above 1933.

On a milk-equivalent basis the combined December production of butter, cheese, and condensed and evaporated milk was 10 percent below December 1933 and total 1934 production was 4.5 percent less than the previous year.

The first signs of a falling off of consumption appeared in December. Taking into account the month's production, changes in storage stocks between December 1 and January 1 and such imports and exports as occurred, butter showed a reduction under December 1933, of 4.4 percent, cheese 6.3 percent, and condensed milk 9.3 percent. Evaporated milk increased 44 percent, although this figure does not necessarily represent the actual consumption change, since it is possible to measure changes in stocks only with respect to manufacturers. The increase in evaporated milk prices through an amendment to the marketing agreement which was approved

and became effective January 11, was anticipated in December, and it is quite possible that the increased trade output of evaporated milk was partly due to the replenishing of stocks by distributors before the price advance became effective.

Stocks of all classes of dairy products, except cheese, are far below those of a year ago. On January 1, the quantity of butter in storage was only 47,093,000 pounds, compared with 111,249,000 pounds last year on the same date, and a 5-year average of 61,054,000 pounds. Manufacturers' stocks of evaporated milk on January 1 totaled 155,166,000 pounds, whereas on January 1, 1934 a total of 210,407,000 pounds was reported. Stocks of American cheese, however, continued very heavy, amounting on January 1 to 89,846,000 pounds, an increase of 12,000,000 pounds over last year, and 23,000,000 pounds more than the January 1 5-year average.

The present wholesale price of 92-score butter at New York is 35½ cents (January 25), which is the highest point reached at any time since October 1931. In London, Danish butter is quoted at 23.3 cents, and New Zealand butter at around 18½ cents. With a difference of 17 cents per pound between New York and London, there is margin enough over the 14-cent tariff to attract imports. So far imports have been mostly New Zealand butter shipped London, although this week some 500 boxes were received at New York direct from New Zealand. The total arrivals of New Zealand butter approximate 2,600 boxes (145,600 pounds), and in addition approximately 350 casks of Danish butter (38,800 pounds) have arrived. Other shipments of New Zealand butter are reported due for arrival next week, and a further report is that a much larger shipment than has heretofore been received is scheduled to arrive the first week in March. Advances in wholesale prices have been followed by higher retail prices. In some of the large eastern cities, prices to consumers were raised 4 cents per pound during the week of January 21-26. Retail prices in New York City are now 41-43 cents per pound. Higher retail prices are said to have caused some shifting from the use of butter, although the extent to which this may have occurred is not known at the moment. This week's advance of cheese prices in Wisconsin makes primary market quotations the highest they have been since November 1930.

No butter purchases have been made by the Government recently. The last Government purchases were evaporated and dry milk. Evaporated milk purchased amounts to 37,619,000 pounds (864,800 cases), and deliveries are already being made on these contracts at quite a number of widely scattered points. Awards for dry milk cover 3,081,250 pounds, and deliveries will start shortly. Another point of interest in connection with Government activities is that several amendments have been approved to licenses in effect in fluid milk markets, whereby class I prices are advanced. The most important market thus affected is Chicago, where an increase of 20 cents per hundredweight became effective January 17.

L. M. DAVIS,  
*Division of Dairy and Poultry Products.*



## SUMMARY OF DAIRY STATISTICS

[Millions of pounds; 000,000 omitted]

## PRODUCTION

Product	December			January to December, inclusive		
	1934	1933	Per-cent change	1934	1933	Per-cent change
Creamery butter.....	103	116	-11. 8	1, 654	1, 763	-6. 2
Cheese.....	31	34	-7. 7	560	544	+2. 9
Condensed milk.....	14	16	-12. 5	223	211	+5. 6
Evaporated milk <sup>1</sup> .....	94	85	+10. 6	1, 721	1, 717	+0. 2
Total milk equivalent.....	2, 705	3, 002	-9. 9	44, 602	46, 695	-4. 5

## APPARENT CONSUMPTION

[Including production, changes in stocks and net imports or exports]

Creamery butter.....	137	143	-4. 4	1, 718	1, 673	+2. 7
Cheese.....	42	45	-6. 3	596	568	+4. 9
Condensed milk.....	16	17	-9. 3	216	208	+3. 7
Evaporated milk <sup>1</sup> .....	139	97	+43. 9	1, 738	1, 574	+10. 4
Total milk equivalent.....	3, 637	3, 708	-1. 9	46, 329	44, 737	+3. 6

<sup>1</sup> Case goods only.

## THE EGG AND POULTRY MARKET SITUATION

The egg markets at the beginning of 1935 appear to be in a much stronger position statistically than a year earlier, and as a consequence have shown more than the usual amount of resistance to the normal January decline in price. Stocks of eggs in cold storage on January 1, this year, were about 11 percent smaller than on January 1, last year, and 35 percent smaller than the 5-year average. Receipts of eggs at the leading terminal markets, with the notable exception of New York, during the first 3 weeks of January did not equal those of the corresponding 3 weeks of last year by about 28 percent. At New York, however, receipts for this period were slightly larger than a year earlier. This latter situation is the result of relatively small stocks of eggs stored last spring at that point, so that within recent months considerable quantities of storage eggs have been shipped in from interior centers of storage to supplement stocks withdrawn from local storage warehouses.

The price trend of eggs in January is normally downward, although it is sometimes interrupted by temporary advances brought about by a shortage in the immediate available supplies. Usually by late January the reserves of storage eggs are exhausted, and with the trade once again on a fresh-egg basis, and the new into-storage season 6 to 7 weeks away, prices are quite easily influenced by the size of each day's receipts. At this time of the year, dealers prefer to work on a day-to-day basis. Any evidence of accumulation in supplies brings about an immediate decline in prices, while any shortage in supplies results in an advance in quotations.



So far this month, prices have shown considerable resistance to the usual seasonal decline. In fact, toward the close of the third week they began to rise rather sharply as receipts failed to keep pace with the demand, and reports of cold weather accompanied by general snowstorms over a large part of the Middle West increased the expectation of light mid-winter fresh egg supplies. At the present moment, January 25, the best grades of middle western Mixed Colors at New York are bringing 35 cents a dozen, an increase of 8 cents over the quotations on the same date last year. The best grades of Pacific coast White Eggs are about 11 cents higher, and Nearby Eastern White Eggs, 9 cents. Very few storage eggs are available, but the few that are offered are quoted at an increase of 6 cents over a year ago.

Production conditions in the general farm belt of the Middle West, which supplies a large volume of eggs for the northeastern and middle western markets, have not been very favorable since before the drought last summer, and have become even less so since early winter. A great many farm flocks were sacrificed last fall because of the lack of feed to carry them through the winter, and the production of those remaining has been held down by inadequate feeding for a normal lay. Layings per farm flock in that area on January 1, amounted to 15.0 eggs compared with 19.3 eggs on the same date last year, according to the United States Crop Reporting Board. The average production for the entire country on January 1 was 13.4 eggs per farm flock compared with 16.0 eggs a year earlier. Production in the commercial egg producing areas of the Atlantic seaboard and the Pacific coast appears to be holding close to last year's levels, but the volume of eggs produced in these sections, while large, will not make up for the smaller production in other areas. The number of hens and pullets of laying age in farm flocks on January 1, this year, averaged 78.4 per farm compared with 85.2 on January 1, last year, and 88.9 per farm for the 5 years of 1928-32. The general forecast for a smaller spring production this year than last seems likely to be realized.

Shell eggs in storage on January 1, 1935, amounted to 647,000 cases compared with 731,000 cases on January 1 last year, and 993,000 cases for the 5-year average. Since January 1, practically all of the shell eggs in storage on that date have been moved into distributing channels. Frozen eggs in storage on January 1 amounted to 64,863,000 pounds compared with 61,419,000 pounds a year earlier and 66,557,000 pounds for the 5-year average. The small stocks of shell eggs in storage on January 1, together with the light January fresh egg production, will likely result in a sizeable reduction in frozen egg stocks by February 1.

Developments of the last month give promise to some improvement in the relation of egg prices to feed costs during the course of the first 6 months of 1935. The prices of the expected smaller production will likely be supported by a fairly good demand for storage purposes, by an increased use by commercial hatcheries, and by a demand from breakers fully as strong as that of a year ago. With the coming of spring and the grazing season, the matter of feed costs will prove of less importance to the average farmer whose flocks obtain a part of their feed from the open range, although still an important factor to the commercial producer who has to buy all his feed.

The poultry markets in January for the most part held full steady to firm. The only class to display any weakness at all was live broilers. These were in generally heavy supply at most eastern markets, and quotations worked about 2 cents lower. The market on live fowl was slightly uneven, liberal receipts the first part of the month causing a 1- to 2-cent loss on heavy grades, but all this being regained toward the close as advancing egg prices caused a slowing up of farm marketings of old hens.

Receipts of dressed poultry at the 4 principal markets during the first 3 weeks of January were about 30 percent smaller than for the same period last year. As a consequence, stocks of dressed poultry in cold storage at those points decreased about 3,500,000 pounds compared with a decrease of only about 800,000 pounds a year ago. Prices of all classes of both fresh and frozen poultry held steady to firm, with quotations on fowl advancing 3 cents.

It now appears that the 131,752,000 pounds of dressed poultry reported in cold storage on January 1, 1935, will represent the peak for the into-storage season just ending. Usually the peak is reached on February 1. Although the stocks reported for January 1 were in excess of the 123,503,000 pounds on January 1, last year, and also the 119,495,000 pounds for the 5-year average, it is the consensus of opinion that due to the shortage of poultry now on farms these stocks will move into consumption without difficulty, and at considerably higher prices than received last year. The price of frozen broilers, however, may be affected to some extent during the first one or two months by the rather heavy supplies of live broilers which are expected. Commercial hatchings on the Atlantic seaboard of baby chicks for winter broilers were especially heavy, during October, November, and December, and receipts of broilers so far this year have been in excess of those of a year ago, and prices have ranged 2 to 3 cents lower. Stocks of frozen broilers in storage on January 1 were slightly over 6,000,000 pounds larger than a year earlier, but such stocks are generally being held rather closely in the belief that the supplies of live broilers may not be so liberal later in the season and that there will then be an opportunity to market frozen broilers at a more satisfactory level.

B. H. BENNETT,  
*Division of Dairy and Poultry Products.*

## BENEFIT, RENTAL, AND DROUGHT-RELIEF PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Hogs <sup>1</sup>	Corn-hog	Cattle <sup>2</sup>	Total <sup>3</sup>
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1933							
October-----	51	1	-----	4	-----	-----	55
November-----	8	-----	2	1	-----	-----	12
December-----	3	-----	16	-----	-----	-----	19
1934							
January-----	32	-----	27	-----	-----	-----	60
February-----	14	-----	14	-----	-----	-----	28
March-----	3	-----	6	-----	-----	-----	9
April-----	1	4	2	-----	-----	-----	6
May-----	9	4	1	-----	2	-----	16
June-----	19	3	1	-----	5	1	29
July-----	8	1	1	-----	10	11	31
August-----	6	2	1	-----	38	26	73
September-----	2	-----	2	-----	47	25	76
October-----	12	-----	36	-----	28	29	105
November-----	24	2	25	-----	8	9	73
December-----	12	1	12	-----	22	4	53

<sup>1</sup> Revised. For pigs purchased under emergency hog-reduction program.<sup>2</sup> Purchased under drought-relief program.<sup>3</sup> Total of all benefit, rental, and drought-relief payments made during month may not check exactly with sum of payments on individual program.<sup>4</sup> Includes sheep and goats purchased under drought-relief program.

## PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and State.

Product	5-year average, August 1909-July 1914	January average, 1910-14	January 1933	December 1934	January 1935	Parity price, January 1935
Cotton, per pound-----cents--	12. 4	12. 2	5. 6	12. 4	12. 3	15. 6
Corn, per bushel-----do-----	64. 2	58. 9	19. 1	85. 3	85. 3	80. 9
Wheat, per bushel-----do-----	88. 4	88. 4	32. 9	90. 6	89. 3	111. 4
Hay, per ton-----dollars-----	11. 87	11. 87	6. 03	13. 86	14. 02	14. 96
Potatoes, per bushel .cents--	69. 7	64. 2	37. 4	45. 4	46. 1	87. 8
Oats, per bushel-----do-----	39. 9	39. 0	13. 4	53. 9	54. 6	50. 3
Beef cattle, per 100 pounds						
dollars--	5. 21	5. 04	3. 28	3. 88	5. 05	6. 56
Hogs, per 100 pounds-----do-----	7. 22	7. 03	2. 68	5. 15	6. 87	9. 10
Chickens, per pound-----cents--	11. 4	10. 8	9. 3	11. 7	12. 3	14. 4
Eggs, per dozen-----do-----	21. 5	28. 0	21. 4	27. 0	25. 0	<sup>1</sup> 33. 9
Butter, per pound-----do-----	25. 5	27. 8	20. 6	26. 5	27. 4	32. 1
Butterfat, per pound-----do-----	26. 3	29. 2	18. 9	28. 2	30. 5	33. 1
Wool, per pound-----do-----	17. 8	18. 5	8. 9	18. 5	18. 8	22. 2
Veal calves, per 100 pounds						
dollars--	6. 75	6. 78	4. 12	4. 88	5. 84	8. 50
Lambs, per 100 pounds-----do-----	5. 87	5. 79	4. 09	5. 01	6. 21	7. 40
Horses, each-----do-----	142. 00	139. 00	63. 00	101. 00	85. 00	179. 00

<sup>1</sup> Adjusted for seasonality.



## GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all commodities <sup>1</sup>	Industrial wages <sup>2</sup>	Prices paid by farmers for commodities used in— <sup>3</sup>			Farm wages	Taxes <sup>4</sup>
			Living	Production	Living-production		
1910.....	103	-----	98	98	98	97	-----
1911.....	95	-----	100	103	101	97	-----
1912.....	101	-----	101	98	100	101	-----
1913.....	102	-----	100	102	101	104	100
1914.....	99	-----	102	99	100	101	101
1915.....	102	101	107	104	105	102	110
1916.....	125	114	124	124	124	112	116
1917.....	172	129	147	151	149	140	129
1918.....	192	160	177	174	176	176	137
1919.....	202	185	210	192	202	206	172
1920.....	225	222	222	174	201	239	209
1921.....	142	203	161	141	152	150	223
1922.....	141	197	156	139	149	146	224
1923.....	147	214	160	141	152	166	228
1924.....	143	218	159	143	152	166	228
1925.....	151	223	164	147	157	168	232
1926.....	146	229	162	146	155	171	232
1927.....	139	231	159	145	153	170	238
1928.....	141	232	160	148	155	169	239
1929.....	139	236	158	147	153	170	241
1930.....	126	226	148	140	145	152	238
1931.....	107	207	126	122	124	116	218
1932.....	95	178	108	107	107	86	189
1933.....	96	171	109	108	109	80	<sup>5</sup> 165
1933							
March.....	88	-----	99	101	100	73	-----
September.....	103	179	117	114	116	-----	-----
October.....	104	177	-----	-----	116	86	-----
November.....	104	175	-----	-----	116	-----	-----
December.....	103	176	117	114	116	-----	-----
1934							
January.....	105	179	-----	-----	117	81	-----
February.....	107	179	-----	-----	119	-----	-----
March.....	108	184	121	119	120	-----	-----
April.....	107	183	-----	-----	120	88	-----
May.....	108	183	-----	-----	121	-----	-----
June.....	109	182	122	121	121	-----	-----
July.....	109	181	-----	-----	122	90	-----
August.....	112	184	-----	-----	125	-----	-----
September.....	113	182	123	129	126	-----	-----
October.....	112	181	-----	-----	126	93	-----
November.....	112	180	-----	-----	126	-----	-----
December.....	112	185	-----	-----	126	-----	-----

<sup>1</sup> Bureau of Labor Statistics. Index obtained by dividing the new series 1926=100, by its pre-war average 1910-14, 68.5.

<sup>2</sup> Average weekly earnings, New York State factories. June 1914=100.

<sup>3</sup> These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

<sup>4</sup> Index of farm real-estate taxes, per acre, 1913=100.

<sup>5</sup> Preliminary.



## GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]								Prices paid by farmers for commodities bought <sup>1</sup>	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops <sup>1</sup>	Meat animals	Dairy products	Chickens and eggs	All groups		
1910.....	104	113	101	-----	103	99	104	102	98	104
1911.....	96	101	102	-----	87	95	91	95	101	94
1912.....	106	87	94	-----	95	102	100	100	100	100
1913.....	92	97	107	-----	108	105	101	101	101	100
1914.....	102	85	91	-----	112	102	106	101	100	101
1915.....	120	77	82	-----	104	103	101	98	105	93
1916.....	126	119	100	-----	120	109	116	118	124	95
1917.....	217	187	118	-----	174	135	155	175	149	117
1918.....	227	245	172	-----	203	163	186	202	176	115
1919.....	233	247	178	-----	207	186	209	213	202	105
1920.....	232	248	191	-----	174	198	223	211	201	105
1921.....	112	101	157	-----	109	156	162	125	152	82
1922.....	106	156	174	-----	114	143	141	132	149	89
1923.....	113	216	137	-----	107	159	146	142	152	93
1924.....	129	212	125	150	110	149	149	143	152	94
1925.....	157	177	172	153	140	153	163	156	157	99
1926.....	131	122	138	143	147	152	159	145	155	94
1927.....	128	128	144	121	140	155	144	139	153	91
1928.....	130	152	176	159	151	158	153	149	155	96
1929.....	120	144	141	149	156	157	162	146	153	95
1930.....	100	102	162	140	133	137	129	126	145	87
1931.....	63	63	98	117	92	108	100	87	124	70
1932.....	44	47	82	102	63	83	82	65	107	61
1933.....	62	64	74	105	60	82	75	70	109	64
1934.....	93	99	100	104	68	96	89	90	-----	-----
1933										
January.....	35	45	70	91	51	81	95	60	102	59
February.....	34	44	64	96	53	74	60	55	101	54
March.....	36	48	65	92	56	71	56	55	100	55
1934										
January.....	76	82	86	102	55	84	82	77	117	66
February.....	79	93	87	101	65	92	78	83	119	70
March.....	79	94	97	79	66	95	74	84	120	70
April.....	77	94	96	98	64	91	72	82	120	68
May.....	78	90	110	89	64	91	72	82	121	68
June.....	89	94	137	80	64	93	72	86	121	71
July.....	91	99	113	102	66	94	76	87	122	71
August.....	106	107	101	108	68	97	86	96	125	77
September....	112	110	93	133	82	99	104	103	126	82
October.....	109	107	98	110	74	100	108	102	126	81
November....	109	107	94	107	72	105	125	101	126	80
December....	116	109	85	130	73	107	119	101	126	80
1935										
January.....	115	108	87	117	96	112	114	107	126	85

<sup>1</sup> The original Index Numbers of Prices to Producers of Commercial Truck Crops for Shipment (with 1924-29=100) were raised to the level of all other group indexes (with a pre-war base) in 1924-29 by multiplying by 146.

<sup>2</sup> 1910-14=100.

## THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by the foreign agricultural service division of this Bureau.

Year and month	Wheat, <sup>1</sup> including flour	Tobacco (leaf)	Bacon, <sup>2</sup> hams, and shoulders	Lard <sup>3</sup>	Apples (fresh)	Cotton, <sup>4</sup> running bales
Total:	<i>1,000 bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bushels</i>	<i>1,000 bales</i>
1920---	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921---	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922---	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923---	175, 190	474, 500	828, 890	1,035,382	8, 876	5, 224
1924---	241, 454	546, 555	637, 980	944, 095	10, 261	6, 653
1925---	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926---	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927---	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928---	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929---	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930---	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931---	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932---	82, 118	387, 768	84, 175	546, 184	16, 919	8, 916
1933---	26, 611	420, 418	100, 169	579, 132	11, 029	8, 353
1934---	-----	418, 983	83, 725	431, 238	-----	5, 753
December:						
1920---	30, 377	45, 391	83, 276	90, 080	1, 509	785
1921---	15, 217	38, 772	36, 848	64, 542	569	635
1922---	16, 728	36, 954	65, 642	78, 596	859	605
1923---	13, 358	49, 269	76, 263	98, 578	962	834
1924---	24, 616	44, 384	33, 788	76, 803	1, 073	1, 053
1925---	8, 437	68, 378	40, 277	68, 840	2, 257	974
1926---	15, 301	50, 379	23, 503	62, 680	2, 479	1, 504
1927---	12, 197	47, 661	19, 839	62, 855	1, 351	745
1928---	12, 053	67, 587	18, 886	86, 358	1, 993	1, 058
1929---	12, 428	65, 660	17, 404	80, 053	1, 566	910
1930---	6, 906	58, 435	10, 466	45, 114	3, 384	766
1931---	12, 100	54, 413	6, 206	65, 598	1, 522	1, 183
1932---	3, 549	28, 910	6, 347	49, 919	1, 144	1, 040
1933---	5, 975	60, 783	6, 561	54, 838	1, 895	820
1934:						
January---	5, 548	25, 753	4, 965	51, 202	2, 556	739
February---	4, 039	27, 571	7, 012	36, 908	2, 166	628
March-----	4, 733	43, 024	7, 206	39, 493	1, 029	567
April-----	5, 482	39, 887	6, 280	39, 350	387	387
May-----	2, 725	30, 512	7, 702	66, 167	35	285
June-----	1, 415	27, 799	8, 137	41, 008	9	459
July-----	2, 168	17, 636	11, 572	33, 466	127	306
August-----	3, 818	23, 620	8, 769	29, 358	201	268
September--	2, 190	50, 630	4, 902	31, 506	543	454
October----	1, 866	61, 606	5, 335	26, 870	634	616
November---	1, 936	45, 294	7, 559	19, 739	934	572
December---	-----	25, 652	4, 283	16, 170	-----	504

<sup>1</sup> Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.

<sup>2</sup> Includes Cumberland and Wiltshire sides.

<sup>3</sup> Excludes neutral lard.

<sup>4</sup> Excludes linters.